EXHIBIT 1

CLEC TELRIC Coalition Profiles

BROADVIEW NETWORKS, INC.

BROADVIEW NETWORKS, INC. ("Broadview Networks") is a facilities-based and unbundled network element – platform ("UNE-P") reliant integrated telecommunications service provider that currently offers local, long distance and international voice telephone service, plus dial-up, high-speed Internet access and data networking services to small and medium-sized businesses and residential customers throughout the Northeastern and mid-Atlantic United States. In addition to using UNE-P, Broadview Networks has expanded its own network through the purchase of telecommunications assets previously operated by Network Plus and Net2000 Communications, Inc.

CHARACTERISTIC	DESCRIPTION
Funding:	Broadview Networks is a privately funded corporation that most recently raised $40 million of equity capital to support its operations through a well-established group of venture investors, including Baker Capital, ComVentures, New Enterprise Associates, Lightspeed Venture Partners and TIAA-CREF.
Market Segment:	Broadview currently offers local, long distance and international Voice telephone service, plus dial-up, high-speed Internet access and data networking services to small and medium-sized businesses and residential customers throughout the Northeastern and mid-Atlantic United States, including in the following states: Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Rhode Island. At the present time, Broadview Network operates nearly 250,000 customer access lines.
Geographic Focus:	Broadview Network's telecommunications operations currently are concentrated in the following Northeastern and mid-Atlantic states: Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Rhode Island.
Product Focus:	Broadview Networks markets "traditional" local, long distance and international Voice phone service, voice T1 service, and integrated access service with Internet service offerings, such as DSL high-speed and dial-up Internet access, website hosting and email. In addition, Broadview Networks offers a broad array of data networking services, including data T1 service, Intranet and Extranet services, Virtual Private Networks, email and business class hosting services.

Growth:	Broadview Networks entered 2003 with annualized revenues of $180 million, a growth of 100 percent over the company's annual revenues for 2001.
Provisioning Methods/Facilities:	Broadview Networks currently operates nearly 250,000 customer access lines within the Northeastern and mid-Atlantic United States. In 2002, Broadview expanded its network through the purchase long-haul and metropolitan fiber networks previously operated by Network Plus, and additional telecommunications equipment previously operated by Net2000 Communications, Inc. and acquired by Cavalier Telephone in bankruptcy. In addition, Broadview leases telecommunications facilities from other carriers, including Verizon.
Regulatory Resources:	The Broadview Networks regulatory resources are focused primarily on federal and state compliance, maintaining interconnection arrangements with the incumbent LECs, informal dispute resolution, and federal and state regulatory proceedings, including but not limited to those proceedings arising under the FCC's Triennial Review Order.
RBOC Relationships:	Broadview Networks is currently a party to interconnection agreements with Verizon for the Bell Atlantic legacy states.

ESCHELON TELECOM, INC.

ESCHELON TELECOM, INC. ("Eschelon"), formerly Advanced Telecommunications, Inc., is a facilities-based integrated provider that currently offers a comprehensive array of telecommunications and Internet services, including local and long distance telephone service, dial-up and high-speed Internet access, voice messaging, business telephone systems, dedicated T-1 access, network solutions, and Web hosting, to small and mid-sized business customers. Using UNE-P, its own switching equipment, and its own collocated transmission equipment located in 101 collocations, Eschelon currently serves more than 38,000 business customers, in 12 markets and 7 states.

CHARACTERISTIC	DESCRIPTION
Funding:	Eschelon is a privately funded corporation that has raised a total of $327 million since its inception, in July 1996. In 2002, Eschelon raised a total of $50 million in equity capital to support its operations through multiple financing deals with investors such as WindPoint Partners of Chicago, Stolberg Equity Partners of Denver, Bain Capital of Boston, and General Electric Capital Corporation. Eschelon generated $9.6 million of positive EBITDA in the first nine months of 2003, and has been EBITDA positive since September 2002. September 2003 was Eschelon's first free cash flow positive month. Eschelon's current debt to paid in capital ratio is 34 percent.
Market Segment:	Eschelon currently offers integrated local and long distance telephone service, Internet access, voice messaging, business telephone systems, dedicated T-1 access, network solutions, and Web hosting, to more than 38,000 small and mid-sized business customers, within 12 markets and 7 states. Eschelon recently announced that it operated more than 200,000 customer access lines for the month ending November 2003.
Geographic Focus:	Eschelon currently serves business customers within the following markets, located primarily within the Qwest service territory: Minneapolis/St. Paul, Denver/Boulder, Portland, Salem, Eugene, Tacoma, Seattle, Phoenix, Salt Lake City, and Reno.

Product Focus:	Eschelon offers bundled voice and Internet services to its business customers, including "traditional" local and long distance telephone service, Advanced Local T-1 digital voice service, toll free access, conference calling, voice messaging, dial-up, DSL and dedicated T-1 Internet access services, Web Hosting, and domain services. Eschelon also is a leading provider of business telephone systems, including voice messaging equipment and data hardware.
Growth:	Since its inception in 1996, Eschelon has experienced consistent growth and is now operating at an annual revenue run-rate of $144M.
Provisioning Methods/Facilities:	Eschelon provides telecommunications services using leased facilities as well as its own voice and data switching equipment and collocated transmission equipment in 101 collocations. Eschelon currently is capable of providing T-1 services to its business customers from approximately 150 Central Offices and operates more than 200,000 customer access lines nationwide.
Regulatory Resources:	Eschelon's regulatory resources are focused primarily on federal and state compliance, maintaining interconnection arrangements with the incumbent LECs, and informal dispute resolution.
RBOC Relationships:	Eschelon currently is a party to interconnection agreements with Qwest, Verizon, and SBC.

KMC TELECOM, INC.

KMC Telecom, Inc. ("KMC") is an integrated communications service provider that currently offers voice and broadband data services primarily to businesses, institutional end users, governmental organizations and telecommunications carriers within more than 35 Tier-3 markets in the Southern, Mid-Atlantic and Midwestern United States. Using its own fiber optic networks, KMC provides communications services nationwide over 3.6 million access and dedicated customer lines. In additional to its integrated communications services, KMC offers consulting, financing, engineering and operations support for national, regional and local access infrastructures, and related services to Cable MSOs, Internet Service Providers, interexchange carriers, utility and power companies and wireless carriers.

CHARACTERISTIC	DESCRIPTION
Funding:	Most recently, on June 29, 2003, KMC announced that it completed a financial restructuring that significantly reduced KMC's existing debt and strengthened the company's balance sheet.
Market Segment:	KMC's Advanced Communications Services division offers a full suite of voice, data and Internet communications services to business customers, institutional end users and governmental organizations within 35 Tier-3 markets, and currently provides such services to more than 12,000 business accounts. KMC's National Data Services division offers data communications services nationwide to large regional and national communications companies, wireless carriers, interexchange carriers, cable operators and Internet Service Providers.
Geographic Focus:	KMC's communications operations are concentrated within various Tier-3 markets within the Southern, Mid-Atlantic and Midwestern United States, including in Huntsville and Montgomery, AL, Daytona Beach, Fort Myers, Greater Pinellas, Melbourne-Brevard, Pensacola, Sarasota, and Tallahassee, FL; Augusta and Savannah, GA: Fort Wayne, IN; Topeka, KS; Baton Rouge, LA; Bethesda-Frederick, MD; Ann Arbor and Lansing, MI; Minnesota Twin-West, MN; Gulf Coast, MS; Fayetteville, Greensboro, and Winston-Salem, NC; Akron, Dayton, and Toledo, OH; Charleston, Columbia, and Spartanburg, SC; Chattanooga and Tri-Cities, TN; Corpus Christi, and Longview, TX; Hampton Roads and Roanoke, VA; and Madison, WI

Product Focus:	KMC's National Data Services division currently offers consulting, financing, engineering and operations support for national, regional and local access infrastructures, and related services to Cable MSOs, Internet Service Providers, interexchange carriers, utility and power companies and wireless carriers. KMC's Advanced Communications Services division currently offers a full suite of voice, data and Internet communications services to business customers, institutional end users and governmental organizations within 35 Tier-3 markets, and currently provides such services to more than 17,000 business accounts.
Growth:	KMC's total revenues grew 26 percent between 2001 and 2002. In 2002, KMC's total revenues totaled $572 million, and KMC's EBITDA totaled $220 million. KMC's has invested more than $2.1 billion in current network, property and equipment.
Provisioning Methods/Facilities:	KMC provides integrated communications services using its own communications infrastructure and resources, which include: more than 2,400 route miles of SONET fiber backbone; 1.5 million ports of local Internet access; 13 Tier-1 softswitch platforms, with more than 200,000 ports installed; access to 1,400 nationwide local calling areas; 70 "super nodes", serving 340,000 Voice over IP ports; 24x7x365 Network Operations Center; nationwide ILEC collocations; and nationwide ILEC interconnections.
Regulatory Resources:	KMC's regulatory resources are focused primarily on federal and state regulatory compliance, procuring and maintaining interconnection agreements with the incumbent LECs, participating in federal and state regulatory policy and rulemaking proceedings, and litigating to enforce various provisions of the Act and the FCC's implementing rules.
RBOC Relationships:	KMC currently is a party to interconnection agreements with BellSouth, Qwest, SBC, Verizon, and numerous other incumbent LECs, and is negotiating and arbitrating interconnection arrangements for several markets nationwide.

MPOWER COMMUNICATIONS CORP.

MPOWER COMMUNICATIONS CORP. ("Mpower") is a facilities-based integrated communications service provider that currently offers bundled local and long distance telephone services, broadband data services, Internet access, and Web hosting solutions using its own dedicated symmetrical digital subscriber line technology, voice over SDSL, Trunk Level 1, Integrated T1, and Data-only T1. Mpower currently provides service primarily to small and mid-sized business customers, as well as to residential customers, in select markets, including Los Angeles, San Diego, Las Vegas, northern California and Chicago.

CHARACTERISTIC	**DESCRIPTION**
Funding:	Mpower is funded by its publicly held corporate parent, Mpower Holding Corporation (MPOW.OB) ("Mpower Holding"). Mpower Holding recently raised $16.1 million, net of estimated selling expenses, to support the telecommunications operations of Mpower through the private placement of 12,940,741 common shares, at $1.35 per share. Mpower Holding also issued warrants to purchase 2,937,548 common shares, at a price of $1.62 per share, in connection with the transaction. Mpower also has an agreement with a lending institution for a revolving line of credit facility of up to $7.5 million, which is secured by certain customer accounts receivable. As of September 30, 2003, there was $3.7 million of borrowings outstanding under the credit facility. Prior to the recent private placement and the establishment of the $7.5 million line of credit, Mpower and Mpower Holding emerged from a Chapter 11 proceeding pursuant to a Plan of Reorganization effective July 30, 2002. As a result of the Plan of Reorganization, Mpower and Mpower Holding eliminated $593.9 million in carrying value of long-term debt and preferred stock in exchange for $19.0 million in cash and substantially all of the common stock. The Chapter 11 process reduced Mpower and Mpower Holding's debt by roughly 95%. Following emergence from Chapter 11 pursuant to the Plan of Reorganization, Mpower Holding repurchased $49.2 million carrying value of its

2004 notes for $14.2 million in cash in November 2002, and repurchased the remaining $2.1 million in carrying value of its 2004 notes for $2.2 million in cash in January 2003. That transaction removed almost all the liens on Mpower's network equipment effective April 3, 2003, and reduced Mpower's remaining long-term debt to $0.4 million, primarily comprised of capital lease obligations.

Market Segment:

Mpower provides bundled telecommunications services, including local and long distance telephone services, broadband data services, Internet access, and Web hosting solutions, to approximately 53,000 small and mid-sized business customers located within select geographic markets. Mpower also bills a small number of carrier customers for the cost of originating and terminating telecommunications traffic on Mpower's network.

Geographic Focus:

Mpower currently provides bundled telecommunications services to customers within the following markets: Los Angeles, San Diego, northern California, Las Vegas, and Chicago. In March 2003, Mpower sold its telecommunications assets and customers within Florida, Georgia, Ohio, Michigan and Texas to other service providers.

Product Focus:

Mpower currently offers bundled local and long distance telephone services, including caller ID, voicemail, custom calling features, calling card services, and toll-free access, broadband data services, Internet access, and Web hosting solutions primarily to small and mid-sized business consumers.

Growth:

For the third quarter of 2003, Mpower's revenues from continuing operations totaled $36.8 million which was slightly lower than the $37.8 million for the second quarter of 2003 and remained relatively stable as compared to $36.9 million for the third quarter of 2002. Mpower's gross margin from continuing operations was $19.1 million or 52 percent of Mpower's revenues for the third quarter of 2003, a 1 percent improvement over the second quarter of 2003 and a 12 percent increase over the third quarter of 2002. Mpower continued to reduce its operating expenses with selling, general and administrative expenses declining to $18.1 million in the third quarter of 2003, an 8 percent improvement over the second quarter of 2003 and a 35 percent improvement over the third quarter of 2002. Mpower's loss from continuing operations was reduced to $2.2 million in the third quarter of 2003, marking a 53 percent improvement over the second quarter of 2003 and a 99 percent improvement over the third quarter of 2002. Other income was $0.1 million for the third quarter of 2003 as compared to a minimal amount reported for the second quarter of 2003 and $314.4 million for the third quarter of 2002, which included $315.3 million gain on discharge of debt. Mpower reported net income from discontinued operations of $0.9 million in the third quarter of 2003, compared to minimal income from discontinued operation in the second quarter of 2003 and net loss from discontinued operations of $9.7 million in the third quarter of 2002. Mpower reported a net loss of $1.2 million in the third quarter of 2003, a 75 percent improvement over the second quarter of 2003 and a 103 percent decline from the third quarter of 2002. Mpower's capital expenditures were $2.4 million for the third quarter of 2003. Mpower ended the third quarter of 2003 with $36.6 million in unrestricted cash.

For the year ended December 31, 2002, Mpower's revenues from continuing operations increased to $146.1 million as compared to $136.1 million for the year ended December 31, 2001. Mpower's gross margin from continuing operations was $61.4 million for the year ended December 31, 2002 as compared to $32.5 million for the year ended December 31, 2001. Selling, general and administrative expenses totaled $108.4 million, a 23 percent decrease over the $140.0 million for the year ended December 31, 2001. Mpower's loss from continuing operations was $363.4 million, a 9 percent improvement over the $400.2 million for the year ended December 31, 2001. Other income was $337.9 million for the year ended December 31, 2002, which includes gains on discharge of debt of $350.3 million as compared to a $0.1 million loss for the year ended December 31, 2001. Mpower reported net loss from discontinued operations of $69.0 million for the year ended December 31, 2002 as compared to $67.4 million for the year ended December 31, 2001. Mpower reported net loss of $98.4 million as compared to $489.5 million for the year ended December 31, 2001. Mpower's capital expenditures were $16.8 million for the year ended December 31, 2002. Mpower had $10.8 million in unrestricted cash at December 31, 2002.

Provisioning Methods/Facilities: Mpower provides its integrated bundle of broadband data and voice communications services over dedicated symmetrical digital subscriber line technology, voice over SDSL, Trunk Level 1, Integrated T1, and Data-only T1.

Regulatory Resources: Mpower's regulatory resources are focused primarily on federal and state compliance, maintaining interconnection arrangements with the incumbent LECs, informal dispute resolution, and federal and state rulemaking proceedings.

RBOC Relationships: Mpower currently is a party to interconnection agreements with SBC for California, Illinois, and Nevada.

NUVOX, INC.

NUVOX, INC. d/b/a NuVox Communications is ("NuVox") is a facilities-based integrated communications service provider that currently offers bundled voice, data and Internet products and services to businesses and other end users within 30 markets located in the Midwest and Southeastern United States. NuVox currently provides its integrated voice and data services to more than 17,000 on-net customers, with more than 265,000 on-net customer access lines in service.

CHARACTERISTIC	DESCRIPTION
Funding:	Most recently, on August 14, 2002, NuVox announced that it raised $78.5 million of additional capital to finance its communications operations, including $66 million of additional equity funding from its existing investors and private equity funds associated with Goldman Sachs & Co., JP Morgan Partners, Whitney & Co., Meritage Private Equity Fund, Richland Ventures, BancAmerica Capital Investors, Centennial Funds, Northwest Equity Partners, Boston Millenia Partners and Flagship Ventures, and $12.5 million of additional debt financing provided by GE Capital Corporation and CIT Lending Services. As a result of this financing transaction, NuVox reduced its outstanding long-term debt under its existing credit facility to $26.3 million principal amount of senior secured notes due 2006 and a junior unsecured discount note due 2008 with an initial accreted value of $10.3 million and an accreted value at maturity of $21.7 million.
Market Segment:	NuVox currently offers integrated voice, data and Internet products and services primarily to small and medium-sized business consumers within the Midwest and Southeastern United States. NuVox currently provides such services to more than 17,000 on-net customers, with more than 265,000 on-net customer access lines in service.
Geographic Focus:	NuVox currently offers integrated voice, data and Internet products and services to consumers in 30 markets, within 13 Midwest and Southeast states, including in: Arkansas, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Missouri, North Carolina, Ohio, Oklahoma, South Carolina and Tennessee.

Product Focus:	NuVox currently offers to small-to-medium sized business consumers integrated voice, data and Internet products and services, including: dedicated and high-speed dial-up Internet access; Web page design, development and hosting, "traditional" local, and long distance telephone service; and unified voice service, email and fax messaging; and advanced services. NuVox's growing array of business communications products and services also includes LAN and WAN management, virtual private networks, audio conferencing and remote access.
Growth:	NuVox's total revenues for the year 2002 totaled $134.1 million, a 62 percent year-over-year increase as compared to its 2001 revenues, which totaled $83 million. NuVox's broadband revenues for 2002, including those revenues for NuVox's bundled service offering, increased 95 percent, from $61.3 million to $119.4 million. During the second half of 2002, NuVox raised $93.5 million of incremental capital, including $81 million of equity and $12.5 million of additional debt financing, and reduced its debt to $40.5 million. NuVox entered 2003 with $47.3 million cash, with a fully funded business plan and surplus capital available for growth. In 2002, NuVox increased its on-net lines in service by 66 percent, from 136,456 to 226,946, and its on-net customers by 60 percent, from 10,368 to 16,631.
Provisioning Methods/Facilities:	NuVox provides its bundled voice, data and Internet access services using its own network, including voice, data and ATM switching technology and collocations, combined with leased loop and transport facilities obtained from incumbent LECs and other providers.
Regulatory Resources:	NuVox's regulatory resources are focused primarily on federal and state regulatory compliance, maintaining and negotiating interconnection arrangements with the incumbent LECs, and participating in federal and state regulatory policy and rulemaking proceedings.
RBOC Relationships:	NuVox is a party to interconnection agreements with BellSouth, SBC, Cincinnati Bell Telephone and ALLTEL, and currently is in negotiations with BellSouth to establish a new interconnection agreement for the BellSouth service territory.

SAGE TELECOM, INC.

SAGE TELECOM, INC. ("Sage") is a competitive provider of local and long distance telephone services and features. Sage's target markets include residential and small business customers located primarily within rural and suburban communities outside major metropolitan areas. Sage provides its bundle of communications services and features using a combination of unbundled network elements, wholesale long distance products, voice mail equipment, operations support systems and electronic data interfaces obtained from the incumbent LEC, and currently operates over 500,000 customer access lines within SBC's service territory.

CHARACTERISTIC	DESCRIPTION
Funding:	Sage is a privately funded corporation and most recently raised a $30 million equity investment from Summit Partners, in October 2002.
Market Segment:	Sage currently offers "traditional" local and long distance telephone service, as well as features such as voice mail, to residential and small business consumers located primarily within rural and suburban communities outside of major metropolitan areas. At the present time, Sage operates over 500,000 customer access lines.
Geographic Focus:	Sage currently offers "traditional" local and long distance telephone service, as well as features such as voice mail, to consumers located primarily within the SBC service territory, including within the following states: Arkansas, California, Kansas, Indiana, Michigan, Missouri, Ohio, Oklahoma, Texas and Wisconsin. Sage has achieved regulatory authority in Illinois and plans to provide service there immediately following the approval of its interconnection agreement with SBC.
Product Focus:	Sage currently offers bundled local and long distance services and features designed to meet the needs of residential and small business consumers.
Growth:	For the year 2002, Sage's annual revenues totaled $187,637,000, an increase of $187,369,000 and 69,914 percent over the Sage's revenues for 1998, the first year of Sage's operations.

Provisioning Methods/Facilities:	Sage provides its bundle of communications services and features using a combination of unbundled network elements, wholesale long distance products, voice mail equipment, operations support systems and electronic data interfaces obtained from the incumbent LEC, and currently operates over 500,000 customer access lines within the SBC service territory.
Regulatory Resources:	Sage's regulatory resources are focused primarily on securing and maintaining operating authority, federal and state regulatory compliance, maintaining interconnection arrangements with the incumbent LECs, and participating in federal and state regulatory and legislative proceedings for rulemaking and regulatory policy.
RBOC Relationships:	Sage currently is a party to interconnection agreements with SBC.

TALK AMERICA HOLDINGS, INC.

TALK AMERICA INC. is an integrated communications service provider that currently offers bundled long distance and local voice services to residential and small business customers throughout the United States. Talk America Inc. is a wholly owned subsidiary of Talk America Holdings, Inc. (collectively "Talk America"). Talk America provides long distance telecommunications services using its own facilities, and local telecommunications services using the unbundled network element platform and total service resale.

CHARACTERISTIC	**DESCRIPTION**
Funding:	Talk America Holdings, Inc. is a publicly traded corporation, and most recently has used its operating cash flow to repurchase its long term debt. On November 5, 2003, Talk America announced that the company called for redemption of $15 million of its 12 percent Senior Subordinated Notes due in 2007 at par plus accrued interest. As a result of that transaction, Talk America's total debt will be reduced to approximately $30.5 million, from $101 million at the beginning of 2003.
Market Segment:	Talk America currently offers bundled long distance and local voice services to residential and small business customers throughout the United States. At the present time, Talk America operates approximately 495,000 customer access lines.
Geographic Focus:	Talk America currently offers bundled long distance and local voice services to consumers within 29 states, and focuses its telecommunications operations within the following states: Michigan, Illinois, Georgia, Ohio, New York, New Jersey and Texas.
Product Focus:	Talk America currently offers bundled long distance and local service plans that include free member-to-member calling, caller identification, call waiting, three-way calling, "1+" long distance service, and calling cards. Talk America does not actively market its long distance only product.

Growth:

For the quarter ended September 30, 2003, Talk America's revenues totaled $99.9 million, an increase of 26.3 percent over Talk America's third quarter 2002 revenues. For the quarter ended September 30, 2003, Talk America's bundled revenues totaled $72.4 million, an increase of 62.6 percent over Talk America's third quarter 2002 bundled revenues, and Talk America provided bundled services over 495,000 customer access lines, an increase of 79.4 percent over third quarter 2002. For the quarter ended September 30, 2003, Talk America reported a pre-tax income of $16.1 million, an increase of 20.4 percent over third quarter 2002, and a net income of $51.6 million or $1.74 per fully diluted share, including tax a benefit of $42.7 million.

Provisioning Methods/Facilities:

Talk America currently provides long distance voice telecommunications services using its own facilities, and local voice telecommunications services using the unbundled network element platform, pursuant to various wholesale agreements with the Bell Operating Companies. At the present time, Talk America operates approximately 495,000 customer access lines.

Regulatory Resources:

Talk America's regulatory resources are focused primarily on federal and state compliance, and participating in federal and state proceedings for rulemaking and regulatory policy, including those proceedings arising under the FCC's Triennial Review Order.

RBOC Relationships:

Talk America currently is a party to interconnection agreements with BellSouth, SBC and Verizon.

XO COMMUNICATIONS, INC.

XO COMMUNICATIONS, INC. ("XO") is a facilities-based integrated communications service provider that offers a broad array of telecommunications services, including local and long distance voice services, Internet access, Virtual Private Networking, Ethernet, wavelength, Web Hosting and integrated services to small and mid-sized business customers, enterprise customers, and other telecommunications carriers. XO communications currently offers integrated business solutions on a nationwide basis, using its expansive OC-192 Internet backbone and other network assets.

CHARACTERISTIC	DESCRIPTION
Funding:	XO, a privately funded corporation, emerged from Chapter 11 bankruptcy on January 16, 2003 pursuant to a stand-alone plan of reorganization, approved by the bankruptcy court, to reduce the company's long term debt from $5.1 billion to $500 million. In connection with the plan of reorganization, XO recently received approximately $161 million in paid subscriptions for approximately 32.2 million shares of its new common stock in the initial stage of a rights offering, ended on November 14, 2003, at $5.00 per share. The second phase of XO's rights offering, expected to begin in December 2003, will offer XO's remaining 7.8 million shares at the same price. The proceeds received by XO from the rights offering will be used to retire XO's existing secured debt.
Market Segment:	XO currently offers a customized package of integrated communications services, including local and long distance voice services, Internet access, Virtual Private Networking, Ethernet, wavelength, and Web Hosting to small and mid-sized business customers, enterprise customers, and other telecommunications carriers on a nationwide basis.
Geographic Focus:	Sixty major metropolitan markets nationwide.

Product Focus:	XO currently offers a broad array of integrated communications services customized to meet the needs of its small and midsized business customers, enterprise customers and carrier customers, including such services as local and long distance voice services (*i.e.*, local services, long distance services, calling card services, conferencing services, hosted services, advanced directory services); Internet access (dial-up access, DSL access, dedicated access); private data networking (Virtual Private Network, private line services, Ethernet services, Wavelength services, SONET services, MultiTransport Networking services); and hosting services (Web Hosting, Managed Hosting, Hosted Microsoft Exchange).
Growth:	For third quarter 2003, XO reported a decline in total revenues by 7.3 percent, as compared to third quarter 2002, from $301,5 million to $279.4 million. For the nine-month period ended September 30, 2003, XO reported a decline in total revenues by 11.6 percent, as compared to the same period for 2002, from $960.4 million to $849.4 million. XO's cost of service for third quarter 2003 improved to 38.8 percent of revenue, versus 41.9 percent of revenue for third quarter 2002. Selling, operating and general expenses were $179.8 million in the third quarter of 2003 or 64.3 percent of sales, versus $175.0 million or 58.0 percent of sales for third quarter of 2002.
Provisioning Methods/Facilities:	XO provides integrated communications services to business consumers using its expansive OC-192 Internet backbone, reaching over 60 major metropolitan markets nationwide, and OC-12 uplinks to additional markets and data centers. XO's network facilities also include the following local fiber, DSL, fixed wireless, data networking, Internet and long-haul assets: over 2,300 on-network buildings; 5 data centers; over 300 DSL access points; over 100 Tier-1 peering Points of Presence, offering direct access to 85 percent of Internet traffic; approximately 1,158,000 total miles of deployed fiber; 34 Nortel DMS-500 local and long distance voice switches; Sonus Networks softswitches for handling next generation traffic; and fixed wireless licenses covering 95 percent of the top business markets within the United States. XO also leases facilities from other telecommunications carriers.

Regulatory Resources: XO's regulatory resources are focused primarily on federal and state compliance, and participating in federal and state proceedings for rulemaking and regulatory policy, including those proceedings arising under the FCC's Triennial Review Order.

RBOC Relationships: XO currently is a party to multiple interconnection agreements with BellSouth, Qwest, SBC and Verizon.

XSPEDIUS COMMUNICATIONS LLC

XSPEDIUS COMMUNICATIONS LLC is an integrated communications service provider that currently offers long distance, local access, dedicated Internet access and other data services to business and wholesale customers throughout the United States. Through its subsidiary, XSPEDIUS FIBER GROUP, the company also provides fiber-optic network infrastructure solutions, including dark fiber and conduit, and network design and construction services to organizations deploying network systems in major metropolitan markets within the United States, including local and long distance carriers, Internet Service Providers, municipalities, utilities and Fortune 500 companies. The Xspedius entities (together, "Xspedius") currently operate within a total of 52 markets, located in 24 states and the District of Columbia, over 3,500 route miles of deployed fiber.

CHARACTERISTIC	DESCRIPTION
Funding:	Xspedius is a privately funded corporation. On August 30, 2002, Xspedius acquired substantially all of the telecommunications assets and customers of e.spire Communications, Inc., including the telecommunications infrastructure of its subsidiary, ACSI Network Technologies.
Market Segment:	Xspedius currently offers integrated communications services, including long distance, local access, dedicated Internet access and other data services, as well as infrastructure solutions, to business customers, enterprise customers, Internet Service Providers, other telecommunications carriers, utilities and municipalities.
Geographic Focus:	Xspedius currently offers integrated communications services within 52 markets, located in 24 states and in the District of Columbia. Xspedius offers fiber infrastructure solutions within 6 Tier-1 markets, and has access to communications assets within 30 additional Tier-2 and Tier-3 markets, including the following: Atlanta, Albuquerque, Amarillo, Austin, Baltimore, Baton Rouge, Birmingham, Chattanooga, Colorado Springs, Columbia, Columbus, Corpus Christi, Dallas-Forth Worth, El Paso, Greenville, Jackson, Jacksonville, Kansas City, Las Vegas, Lexington, Little Rock, Louisville, Mobile, Montgomery, New Orleans, San Antonio, Shreveport, South Florida, Spartanburg, Tampa, Tucson, Tulsa, and Washington D.C.

Product Focus: Xspedius provides integrated communications services, including long distance, local access, dedicated Internet access and other data services, to business and wholesale customers throughout the United States. Through its subsidiary, Xspedius Fiber Group, Xspedius also operates as a provider of fiber-optic network infrastructure solutions, including dark fiber and conduit, and network design and construction services to organizations deploying network systems in major metropolitan markets within the United States, including local and long distance carriers, Internet Service Providers, municipalities, utilities and Fortune 500 companies.

Growth: Xspedius is a privately funded corporation. On August 30, 2002, Xspedius acquired substantially all of the telecommunications assets and customers of e.spire Communications, Inc., including the telecommunications infrastructure of its subsidiary, ACSI Network Technologies.

Provisioning Methods/Facilities: Xspedius provides communications services and network connectivity solutions using its own fiber-optic and broadband network, spanning over 3,500 route miles nationwide, as well as facilities leased from other carriers.

Regulatory Resources: Xspedius' regulatory resources are focused primarily on federal and state compliance, negotiating and arbitration interconnection agreements with the incumbent LECs, participating in federal and state regulatory policy and rulemaking proceedings, including those proceedings arising under the FCC's Triennial Review Order, and litigating and enforcing the obligations of the incumbent LECs under the Act and the FCC's implementing rules.

RBOC Relationships: Xspedius currently is a party to interconnection agreements with BellSouth, Qwest, SBC and Verizon, and is actively negotiation new interconnection arrangements with BellSouth and SBC. Xspedius also is engaged in litigation with Verizon before the FCC.

EXHIBIT 2

CLEC TELRIC COALITION MEMBER AFFIDAVITS

J. Jeffery Oxley, Executive Vice President and General Counsel, Eschelon Telecom, Inc.

Randy Meacham, Director – Government Affairs, KMC Telecom Holdings, Inc.

Richard Heatter, Vice President, Legal and Regulatory, Mpower Communications Corp.

Edward J. Cadieux, Vice President of Regulatory and Public Affairs, NuVox, Inc.

Robert W. McCausland, Vice President for Regulatory Affairs, Sage Telecom, Inc.

Alan Kirk, Vice President of Network Vendor Management, Talk America

Christopher McKee, Director of External Affairs, XO Communications, Inc.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding	)	
the Pricing of Unbundled Network Elements	)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local	)	
Exchange Carriers	)	

AFFIDAVIT OF J. JEFFERY OXLEY

I, J. Jeffery Oxley, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by Eschelon Telecom, Inc. ("Eschelon") as Executive Vice President and General Counsel.

2. My business address is 730 Second Avenue South, Suite 1200, Minneapolis, MN 55402.

3. Eschelon serves over 35,000 small business customers in twelve markets in seven states in the Qwest territory: Minnesota, Colorado, Washington, Oregon, Arizona and Utah. We provide telecommunications and Internet access services and we install and service business telecommunications and data equipment. We have installed six voice and six data switches and built 101 collocations. We serve customers via our collocations and switches using DS0 and DS1 UNE loops and DS1 EELs. To serve multi-location customers at premises in wire centers where we are not collocated, we use UNE-P for small customers and, for larger customers, DS1 EELs.

4. The purpose of my affidavit is to illustrate the progress that state commissions have made in applying TELRIC to the network in Qwest's territory, where Eschelon has focused its deployment.

STATES HAVE BECOME EXPERT AT APPLYING TELRIC

5. The State Commissions in the Qwest states have considerably refined their TELRIC analysis. Although rates remain higher than Eschelon has advocated, states have made much progress towards establishing forward-looking TELRIC rates. The first states that I believe got TELRIC basically "right" were Colorado and Arizona. Minnesota followed with a significant revision of its UNE rates, and most recently, Utah set UNE rates near TELRIC. The Oregon Commission is now revisiting its UNE rates, which presently are significantly high.

6. I believe there are two ways in which these states refined their analysis to arrive at appropriate UNE rates. First, significant improvements were made to the cost models. Commissions generally recognized the superiority of the HAI model's approach to outside plant design as compared to Qwest's RLCAP/LoopMod approach. Whereas Qwest's outside model made no use of customer location data, the HAI model uses geocoded customer locations and, for those customers who could not be geocoded, it uses surrogate locations along roadways.

7. Second, Qwest's interest in getting 271 approval led the company to agree to voluntary rate reductions in a number of states, helping commissions to identify the "range of reasonableness" for TELRIC rates.

STATE TELRIC RATES HAVE ENCOURAGED COMPETITION, FORCING QWEST TO COMPETE ON THE MERITS

8. In the states where commissions developed the expertise to apply TELRIC properly, the Qwest states now have truly cost-based UNE rates that encourage new entry and expanded deployment.

9. Eschelon's presence in Qwest territory is bringing tangible benefits to consumers. We provide innovative service bundles, for examples integrating voice and data on a single facility and creating bundled local line and long distance minute programs. We also allow customers to get discounted telephone equipment when buying bundled services from our company. Finally, we provide a higher service quality than we believe ILEC customers have experienced.

10. Qwest has had to respond competitively to Eschelon's offerings. Qwest has implemented win-back programs targeted at customers who have left their service. Qwest also offered term plans in major markets when CLECs were first gaining a foothold which were intended to limit the ability of CLECs to attract business customers.

This concludes my affidavit.

Executed this 15 day of December, 2003.

J. Jeffery Oxley
Eschelon Telecom, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 15th day of December, 2003.

Tobe L. Goldberg NOTARY PUBLIC

My Commission Expires:
1-31-05

TOBE L. GOLDBERG
NOTARY PUBLIC – MINNESOTA
My Comm. Expires Jan. 31, 2005

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding	)	
the Pricing of Unbundled Network Elements	)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local	)	
Exchange Carriers	)	

AFFIDAVIT OF RANDY MEACHAM

I, Randy Meacham, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by KMC Telecom Holdings, Inc. ("KMC") as Director — Government Affairs.

2. My business address is 1755 North Brown Road, Lawrenceville, GA 30043

3. KMC is a facilities-based integrated communications provider offering a full range of advanced voice, data, and Internet infrastructure services in 35 markets within the Southern, Mid-Atlantic and Midwestern United States. Since its start in 1995, KMC's business plan has been to serve business customers in Tier III markets (ranging between 100,000 and 750,000 in population) with a full array of telecommunications services over our own facilities and over combinations of KMC-owned and ILEC facilities. We provide a full suite of voice, data and Internet communications services to business customers, institutional end users and governmental organizations.

4. The purpose my affidavit is to explain the competitive importance of adhering to a truly cost-based methodology for setting UNE rates, especially as regards KMC's continued ability to provide innovative services to consumers at competitive prices.

KMC DEPLOYMENT

5. KMC used an aggressive build-out schedule in order to be first-to-market in its chosen Tier III cities. We deployed in 8 cities in 1997-98, followed by 14 cities in 1999, and 15 cities in 2000. KMC made it a high priority to be the first competitor in these underserved markets, and we succeeded.

6. KMC's business plan calls for serving 80% of the commercial buildings in each of its markets through either direct fiber connections ("on-net") into customer locations, or through the lease of unbundled network elements ("UNEs") from the incumbent local exchange carrier ("ILEC") (an "off-net" arrangement). This 80% figure represents in the

aggregate approximately 97,000 buildings eligible for on-net service, plus 168,000 buildings that are available only via a UNE architecture, totaling 265,000 buildings.

7. TELRIC-based UNE rates played a major role in KMC's aggressive buildout and its ability to be the first CLEC to market in its serving areas. Taking the early UNE rates on a nationwide average, we estimated that we could serve customers in these markets on a cost-efficient basis.

8. KMC relies more on its own facilities — rather than ILEC facilities — than the majority of CLECs. KMC facilities include several Lucent 5ESS switches, since augmented with PSAX "soft" switches to "off-load" ISP-bound traffic. To obtain such market coverage, KMC has made a significant investment in a local fiber-optic SONET network, each leg averaging 60 miles, and has typically collocated at three ILEC offices in each market: the local tandem office and two end offices.

9. KMC has attempted to lay fiber laterals to each of the buildings it serves, but as Michael Duke explained in his affidavit supporting our *UNE Triennial* comments, this process is extremely expensive and time-consuming due to building access, right-of-way, and construction permit issues. For this reason, the main thing that KMC needs from incumbents are loops.

IMPORTANCE OF PRESERVING TELRIC

10. As I explained, KMC is a UNE-L company. We have built out our own facilities where it was efficient to do so and where we had access to the buildings. However, in most cases KMC still needs ILEC loops to connect customers to our network. Loops rates are therefore crucial for KMC.

11. If the Commission changes TELRIC in a way that pushes loop rates higher, KMC's business plan will be seriously jeopardized. Given the geographic breadth of KMC's customer base, KMC does not have the resources to fully replicate the ILEC loop at all customer locations. Nor can KMC cannot afford substantially higher loop rates. We would have to make tough choices about which customers we could continue to serve, and how. We could be forced to abandon the small business customer segment, shut down parts of our network, and focus our resources on the markets where we can recoup our investment. The alternative is to raise our rates to cover the higher loops costs, but it is unlikely that we could compete effectively on that basis.

12. If KMC is driven from its markets, customers will suffer. We serve Tier III cities that do not have the competition that New York City does. If we pull out of markets, customers lose competitive choice. If we raise rates, customers effectively suffer the same problem.

13. The TELRIC methodology should not be changed in a way that permits these results to happen. KMC opposes any policy change that would make UNEs more expensive for competitors. For example, it must not use embedded cost in any way as the basis for calculating ILEC costs. It would be wiser to leave TELRIC as it is.

This concludes my affidavit.

Executed this 15 day of December, 2003.

Randy Meacham
KMC Telecom Holdings, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 15th day of December, 2003.

NOTARY PUBLIC

My Commission Expires:
12/2003

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding	)	
the Pricing of Unbundled Network Elements	)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local	)	
Exchange Carriers	)	

AFFIDAVIT OF RICHARD HEATTER

I, Richard Heatter, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by Mpower Communications Corp ("Mpower") as Vice President, Legal and Regulatory.

2. My business address is 175 Sully's Trail, Suite 300, Pittsford, NY 14534.

3. Mpower is a facilities-based integrated communications service provider that currently offers bundled local and long distance telephone services, broadband data services, Internet access, and Web hosting solutions using its own dedicated symmetrical digital subscriber line technology, voice over SDSL, Trunk Level 1, Integrated T1, and Data-only T1. Mpower currently provides service primarily to small and mid-sized business customers, as well as to residential customers, in select markets, including Los Angeles, San Diego, Las Vegas, northern California and Chicago.

4. Mpower has a significant customer base in California, Illinois, and Nevada, where the state commissions have recently re-set UNE rates at levels that enable us to reach more and more customers.

5. The purpose of my affidavit is to demonstrate that cost-based UNE rates have enabled Mpower to enter markets, provide innovative services, and forced ILECs to compete on service quality and price.

ILEC WINBACK OFFERS ARE A DIRECT RESPONSE TO COMPETITION

6. Mpower has developed innovative service offerings that provide customers with increased convenience, quality of service, and lower rates. For example, we provide flat-rated local and intraLATA calling. In addition, we have an "all-you-can-eat" residential package that includes local, long-distance, and Internet dial-up service.

7. SBC has had to respond to Mpower's competitive presence. It has begun a winback campaign targeted at Mpower customers that, we believe, involves unlawful below-cost pricing. While we do not believe that SBC should be permitted to charge below-cost prices, we recognize that such offerings are SBC's response to head-on competition.

8. If TELRIC is changed, state UNE rates may go up. If that happens, Mpower's ability to serve new and existing customers is threatened. SBC would face less competition, and would not need to offer winback pricing and competitive packages. The customers would lose their competitive choice and the benefits of competition.

This concludes my affidavit.

Executed this 15th day of December, 2003.

Richard Heatter
Mpower Communications Corp

SUBSCRIBED AND SWORN TO BEFORE ME this 15 day of December, 2003.

NOTARY PUBLIC

My Commission Expires:

RUSSELL I. ZUCKERMAN
Notary Public, State of N.Y, Monroe County
My Commission Expires Jan. 31, 20 06

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding	)	
the Pricing of Unbundled Network Elements	)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local	)	
Exchange Carriers	)	

AFFIDAVIT OF EDWARD J. CADIEUX

I, Edward J. Cadieux, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by NuVox, Inc. ("NuVox") as Vice President of Regulatory and Public Affairs.

2. My business address is 16090 Swingley Ridge Road, Suite 500, Chesterfield, MO 63017.

3. NuVox is a facilities-based integrated communications service provider that currently offers bundled voice, data and Internet products and services to businesses and other end users. We provide service in 30 markets located in the Midwest and Southeastern United States. NuVox currently serves more than 17,000 on-net customers, with more than 265,000 on-net customer access lines in service.

4. The purpose of my affidavit is to demonstrate the importance of cost-based UNE rates to the ability of NuVox to give customers a competitive choice in service.

5. NuVox serves customers in part over ILEC transport and T-1 facilities. We have developed a bundled voice/high-speed Internet product over T-1s at extremely competitive prices. If the Commission changes its TELRIC policy in a way that increases UNE rates, NuVox's ability to maintain its current price level may be impeded. A raise in prices would only hurt consumers and put less competitive pressure on the ILECs.

6. In fact, I am concerned that increased UNE rates will put NuVox in a price squeeze. SBC is now having to lower its retail prices to compete with CLECs like NuVox — an increase in wholesale input prices creates great potential for anticompetitive pricing. The Commission should be careful in this proceeding not to create an environment where this result could occur.

7. I believe that TELRIC is working. State commissions generally have now developed a level of familiarity with TELRIC that enables them to set UNE rates in an efficient manner. Changing the rules now would turn back the clock on this process and run the

risk of raising UNE rates throughout the country. The result would be decreased competitive choice for consumers.

This concludes my affidavit.

Executed this 15th day of December, 2003.

Edward J. Cadieux

Edward J. Cadieux
NuVox, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 15th day of December, 2003.

Notary Public Notary Seal State of Missouri

CAROL J. SIMS
St. Louis County
My Commission Expires
September 24, 2006

Carol J. Sims
NOTARY PUBLIC

My Commission Expires:
September 24, 2006

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding	)	
the Pricing of Unbundled Network Elements	)	WC Docket No. 03-173
and the Resale of Service by Incumbent Local	)	
Exchange Carriers	)	

<u>AFFIDAVIT OF ROBERT W. McCAUSLAND</u>

I, Robert W. McCausland, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by Sage Telecom, Inc. ("Sage") as Vice President for Regulatory Affairs.

2. My business address is 805 Central Expressway South, Suite 100, Allen, TX 75013-2789.

3. Sage is a competitive local exchange carrier dedicated to serving residential and small business customers primarily in rural and suburban areas with a full range of local and long distance services and associated features. Sage offers a variety of calling plans, including its Home Choice Plan for residential customers, which includes unlimited local calling, long distance, and features such as Caller ID, Call Waiting and Call Forwarding. Founded in 1996 by experienced telecom professionals, Sage Telecom has become one of the fastest growing residential competitive local exchange carriers in the country. It currently serves over 500,000 residential and small business customers in ten states – Arkansas, California, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas, and Wisconsin – and is continuing to expand. Sage's customer base is 94% residential overall, with nearly 75% living in rural and suburban areas. Over 25% of Sage's customers live in counties with fewer than 100 people per square mile.

4. The purpose of my Affidavit is to explain the importance of cost-based rates to Sage's deployment strategy historically and going forward. In addition, I will provide recommendations for TELRIC methodology that take into account the potential that direct price competition between ILECs and CLECs may result in anticompetitive pricing behavior by ILECs.

<u>SAGE DEPLOYMENT</u>

5. Sage has expended the greatest investment in Texas, Michigan and Kansas, investing millions of dollars in deployment. We chose those states based principally on the fact

that their State Commissions had set UNE rates at levels that Sage could reasonably finance. As a CLEC, we do not have the expansive deployment resources that ILECs enjoy. Accordingly, Sage is extremely conservative fiscally, and deploys facilities only where it can reasonably expect a return that will cover their investment. This calculation is a function largely of the cost of facilities — principally UNEs — as the market share that a CLEC can expect remains in the single digits. The Commissions of Texas, Michigan and Kansas set UNE rates at levels that made their markets a profitable proposition for Sage.

6. We also favored these states because the Commissions were diligent in their oversight of local competition, most notably with respect to the availability of commercially useful OSS, and aggressively enforced their local competition rules. The rules of any commission, including pricing rules, are only meaningful if they are enforced.

7. Sage has been very successful in the Texas, Michigan and Kansas markets, due to its reasonably priced bundled offerings. In response, SBC has begun competing with Sage on both price and service innovation. SBC tries to "win back" the customers it lost to Sage by sending letters to Sage customers that offer free service and other incentives.

8. For example, SBC now has developed a winback promotion that provides free local and long distance services through bill credits — thereby emulating Sage's service packages. This type of head-to-head price competition, when associated with compliant wholesale access, is exactly what the 1996 Act was meant to achieve. If Sage had been foreclosed from entering markets due to excessive entry costs, SBC's customers would never have enjoyed the benefits of this competition.

RECOMMENDATIONS FOR TELRIC PRICING

Flat-Rated Local Switching

9. Sage believes that flat-rated local switching would be an acceptable outcome, if the rate remains true to TELRIC cost-based principles.

Methodology

10. The new phenomenon of direct price competition in the local market should be considered as the Commission reviews its TELRIC methodology. That is, as the ILECs begin to aggressively lower their prices to compete with CLECs, the potential for anticompetitive pricing behavior by those ILECs increases substantially.

11. TELRIC should take account of this potential and minimize it. Specifically, the TELRIC rules should expressly require the FCC and state commissions to analyze ILEC end user retail rates — especially winback rates — when setting UNE rates. This analysis will provide a gauge as to whether applicable UNE rates exceed what the ILEC itself would pay for the components necessary to serve customers. It will also reveal whether a UNE rate is truly set at the ILEC's costs, because the ILEC retail rates provide the best demonstration of the ILEC's break-even point for serving customers. Presently

Commissions have no basis for this type of cost versus price comparison, rendering CLECs vulnerable to anticompetitive pricing under the new winback campaigns.

12. In sum, it is crucial that the relationship of ILEC wholesale rates — both UNE and resale — and retail rates of ILECs *and* CLECs be scrutinized together. If ILEC wholesale rates are too high, CLECs will be driven from the market. Once that occurs, ILECs will have no further incentive to engage in aggressive pricing, such as the winback campaigns, and consumers will suffer. And where ILECs have not been forced to compete in terms of price, high wholesale prices will force CLECs to charge higher rates than would be possible if a competitive wholesale market existed. End user retail prices would therefore be artificially inflated and the primary purpose of the 1996 Act would be nullified. The Commission's TELRIC methodology must include this type of analysis in order to avoid harm to consumers.

This concludes my affidavit.

Executed this 16th day of December, 2003.

Robert W. McCausland

Robert W. McCausland
Sage Telecom, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 16th day of December, 2003.

LISA RILEY
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
05-06-2006

Lisa Riley
NOTARY PUBLIC

My Commission Expires:
5.6.2006

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers	))))))	WC Docket No. 03-173

AFFIDAVIT OF ALAN KIRK

I, Alan Kirk, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by Talk America ("Talk") as Vice President of Network Vendor Management.

2. My business address is 12020 Sunrise Valley Drive, Suite 250, Reston, VA 20190.

3. Talk is an integrated communications service provider that currently offers bundled long distance and local voice services to residential and small business customers within 29 states. Our operations are focused in Michigan, Illinois, Indiana, Georgia, Ohio, New York, New Jersey and Texas. Talk provides long distance telecommunications services using its own facilities, and local telecommunications services using the unbundled network element platform and total service resale.

4. The purpose of this affidavit is to discuss the importance of applying TELRIC in a way that enables competitors to provide service profitably at competitive prices, thus providing an incentive for ILECs to compete directly in terms of service quality and price.

TELRIC IS CRUCIAL FOR ENABLING TALK TO COMPETE ON PRICE PROFITABLY

5. Talk has focused its investment dollars, in terms of both equipment and marketing, in the states that historically have applied TELRIC in a manner that results in rates that reflect forward looking economic costs. Michigan, Georgia and New York are the best examples where the state commissions have accomplished this goal.

6. Talk believes that state commissions should remain vigilant about setting UNE rates that prevent CLECs from being stuck in a price squeeze. That is, UNE rates are "right" when

they allow CLECs to enter the market and provide service at competitive rates while still recovering their investment.

7. In addition, Talk urges the Commission not to change TELRIC in a way that would result in higher UNE rates. If faced with such higher rates, Talk's ability to continue serving customers at competitive prices would be impeded. If the rate increase is substantial, Talk could be forced to consider either raising end user rates or exiting certain markets. Either choice would harm consumers.

UNE-BASED COMPETITION FORCES ILECS TO COMPETE

8. Talk's presence in the market has resulted in ILECs having to compete to retain customers. For example, SBC has created service packages that mirror Talk's offerings. Talk's most popular packages are the "Unlimited Plan," providing unlimited calling features plus unlimited local and intraLATA toll calling, and the "Nationwide Plan," which provides the same services plus unlimited interLATA long-distance calling. SBC has now introduced similar plans. Where it used to provide only measured service or plans allowing a finite number of calls, SBC now has a bundled local/long-distance plan with unlimited minutes.

9. Talk believes that UNE-based competition, and especially Talk's presence in the market, has essentially forced SBC to compete in this way. Although Talk has concerns about ILEC bundled offerings from a competition law perspective, we recognize that consumers, at least in the short term, benefit from this type of head-to-head competition.

10. Changes to TELRIC could jeopardize this competition. Higher UNE rates could force CLECs out of markets, leaving ILECs no reason to continue to offer innovative packages or lower rates. Talk therefore urges the Commission not to amend any rules in a manner that could effectuate this result.

This concludes my affidavit.

Executed this 16th day of December, 2003.

Alan Kirk
Talk America

SUBSCRIBED AND SWORN TO BEFORE ME this 16 day of December, 2003.

NOTARY PUBLIC

My Commission Expires:

My Commission Expires May 31, 2006

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers	))))	WC Docket No. 03-173

AFFIDAVIT OF CHRISTOPHER MCKEE

I, Christopher McKee, pursuant to 28 U.S.C. Section 1746, do hereby declare, under penalty of perjury, that the following is true and correct.

1. I am employed by XO Communications, Inc. ("XO") as Director of External Affairs.

2. My business address is 1111 Sunset Hills Road, Reston, VA 20190.

3. XO is a facilities-based integrated communications service provider that offers a broad array of telecommunications services throughout the nation, including local and long distance voice services, Internet access, Virtual Private Networking, Ethernet, wavelength, Web Hosting and integrated services to small and mid-sized business customers, enterprise customers, and other telecommunications carriers. XO communications currently offers integrated business solutions on a nationwide basis, using its expansive OC-192 Internet backbone and other network assets.

4. The purpose of this Affidavit is to explain how a truly cost-based TELRIC policy will continue to foster competition and benefit consumers.

5. As one of the first entrants into the local telecommunications market, XO has witnessed several iterations of UNE pricing. Initial UNE prices were prohibitively high, due largely to a lack of information regarding ILEC costs. In addition, state commissions adopted cost models that provided inflated cost projections for network elements.

6. More recently, however, the states have fine-tuned their cost models and obtained sufficient costing inputs such that UNE rates now more closely reflect the true costs of a forward-looking network. XO expects that these rates will spur deployment in formerly high-rate states.

7. The market has already seen significant competition. This fact is best illustrated by the recent "Winback" activities by ILECs, notably SBC and BellSouth. Winback, although it entails questionable conduct sparking investigations by several state commissions, has

brought consumers an innovative array of ILEC packages, combined with lower rates. It is a direct response to CLECs, and Winback packages often mirror the service packages that CLECs provide.

8. Cost-based UNE rates facilitated the competition that is responsible for these consumer benefits. And as state commissions become more adept at employing TELRIC, competition will undoubtedly grow. But a significant change in TELRIC policy, one that may well result in grossly inflated UNE rates, would reverse that course. No TELRIC means no Winback, no innovation, and no price reductions for consumers.

9. XO believes that TELRIC should not be changed from its present aim of approximating the costs of a forward-looking network. Any change in methodology that would devolve to a rate-of-return, actual-cost regime would destroy the possibility of meaningful competitive entry. With CLEC margins already razor-thin, due in large part to the cost of building out facilities, a hike in UNE prices for loops and other essential facilities will severely impact competitors' operations.

This concludes my affidavit.

Executed this 15th day of December, 2003.

C. McKee

Christopher McKee
XO Communications, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 15th day of December, 2003.

Marsha J. Banks

NOTARY PUBLIC

My Commission Expires:
May 31, 2005